

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name FREMONT TOWNSHIP	County TUSCOLA
Fiscal Year End 3-31-07	Opinion Date 9-28-07	Date Audit Report Submitted to State 10-9-07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☐ ☒ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & ADAM		Telephone Number 989-673-3137	
Street Address 715 E. FRANK ST		City CARO	State MI
		Zip 48723	
Authorizing CPA Signature Gary R. Anderson CPA	Printed Name GARY R. ANDERSON		License Number 1101005446

FREMONT TOWNSHIP
Tuscola County, Michigan

Report on Financial Statements

March 31, 2007

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

September 28, 2007

INDEPENDENT AUDITORS' REPORT

Members of the Township Board
Fremont Township
Tuscola County, Michigan

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Fremont as of and for the year ended March 31, 2007, which comprises the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Fremont Township's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Fremont's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Fremont as of March 31, 2007, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Fremont Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENERAL PURPOSE FINANCIAL STATEMENTS

FREMONT TOWNSHIP
Combined Balance Sheet - All Fund Types and Account Group
March 31, 2007

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>FIDUCIARY FUND TYPE</u>
	<u>GENERAL</u>	<u>GENERAL FIXED ASSETS</u>	<u>TRUST & AGENCY</u>
<u>ASSETS</u>			
Cash	\$ 7,248		\$ 2,273
Certificates of Deposit	191,569		
Taxes Receivable	2,888		229,301
Due from CTCF	18,839		
Prepaid expenses	13,125		
General fixed assets		\$ 84,835	
<u>TOTAL ASSETS</u>	<u>\$ 233,669</u>	<u>\$ 84,835</u>	<u>\$ 231,574</u>
<u>LIABILITIES & FUND BALANCE</u>			
Accounts payable	\$ 2,489		
Payroll liabilities	-		
Due to General Fund			\$ 18,839
Due to other governmental units			212,735
Total Liabilities	2,489	-	231,574
Fund Balance:			
Investment in general fixed assets		\$ 84,835	
Unreserved:			
Designated for building fund	116,410		
Designated for Reappraisal			
Undesignated	114,770	-	-
Total Fund Balance	231,180	84,835	-
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u>\$ 233,669</u>	<u>\$ 84,835</u>	<u>\$ 231,574</u>

The accompanying notes are an integral part of the financial statements.

TOTAL
(MEMORANDUM ONLY)

MARCH 31,

<u>2007</u>	<u>2006</u>
\$ 9,521	\$ 97,054
191,569	171,385
232,189	250,661
18,839	60,247
13,125	76,375
84,835	84,835
<u>\$ 550,078</u>	<u>\$ 740,556</u>

\$ 2,489	-
18,839	\$ 60,247
<u>212,735</u>	<u>231,832</u>
<u>234,063</u>	<u>292,079</u>
84,835	84,835
116,410	103,401
	71,100
<u>114,770</u>	<u>189,141</u>
<u>316,015</u>	<u>448,477</u>
<u>\$ 550,078</u>	<u>\$ 740,556</u>

FREMONT TOWNSHIP
Statement of Revenues, Expenditures and
Changes In Fund Balance - General Fund
For the Year Ended March 31, 2007

REVENUES:	
Taxes	\$ 116,765
Intergovernmental	174,711
Licenses and permits	7,985
Charges for services	33,148
Interest	1,526
Miscellaneous	690
	<hr/>
TOTAL REVENUES	334,825
	<hr/>
EXPENDITURES:	
Legislative	105,876
General government	102,503
Public safety	29,333
Highways and streets	225,920
Drain-at-large	2,489
Other expenditures	1,166
	<hr/>
TOTAL EXPENDITURES	467,287
	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(132,462)
	<hr/>
FUND BALANCE - BEGINNING OF YEAR	363,642
	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 231,180</u>

The accompanying notes are an integral part of the financial statements.

FREMONT TOWNSHIP
Statement of Revenues, Expenditures
and Changes In Fund Balance - Budget and Actual
General Fund
Year Ended March 31, 2007

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Taxes	\$ 115,000	\$ 116,765	\$ 1,765
Intergovernmental	190,125	174,711	(15,414)
Licenses and permits	5,000	7,985	2,985
Charges for services	31,220	33,148	1,928
Interest	3,000	1,526	(1,474)
Miscellaneous	2,300	690	(1,610)
TOTAL REVENUES	<u>346,645</u>	<u>334,825</u>	<u>(11,820)</u>
EXPENDITURES:			
Legislative	111,193	105,876	5,317
General government	122,972	102,503	20,433
Public safety	39,008	29,333	9,675
Highways and streets	227,000	225,920	1,080
Drain-at-large	6,465	2,489	3,976
Other expenditures	1,500	1,166	334
TOTAL EXPENDITURES	<u>508,138</u>	<u>467,287</u>	<u>40,815</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(161,493)</u>	<u>(132,462)</u>	<u>29,031</u>
FUND BALANCE - BEGINNING OF YEAR	<u>363,642</u>	<u>363,642</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 202,149</u>	<u>\$ 231,180</u>	<u>\$ 29,031</u>

The accompanying notes are an integral part of the financial statements.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Fremont became a Township prior to 1859 and is located in Tuscola County. The Township is operated under a Township Board consisting of five members. The Township provides various services to approximately 3,500 residents.

The accounting policies of Fremont Township conform to generally accepted accounting principles applicable to governmental units, except for GASB 34 as explained in Note 9. The following is a summary of more significant policies:

THE REPORTING ENTITY:

The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity" for determining the various governmental organizations to be included in the reporting entity. The Township is the primary government that has oversight responsibility and control over all activities. The Township receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Township is not included in any other governmental "reporting entity" as defined in GASB pronouncements since the Township Board members are a publicly elected governing body that has separate legal standing and is fiscally independent of other governmental entities. As such, the Board has decision-making authority, the authority to levy taxes and determine its budget, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Township does not include any other component units within its general-purpose financial statements.

BASIS OF PRESENTATION:

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

GOVERNMENTAL FUNDS:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds – The Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

ACCOUNT GROUPS:

General Fixed Assets Account Group - This account group presents the fixed assets of the Township.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING:

The modified accrual basis of accounting is followed in the governmental fund types. The modified accrual basis of accounting is defined as the basis of accounting under which expenditures other than accrued interest on general long term obligations are recorded at the time liabilities are incurred and revenues are recognized when available or measurable. Modifications in such method from the accrual basis are as follows:

1. Property taxes and other revenues that are measurable but not available for use to financial operations are recorded as deferred revenue. Other revenue is recorded when earned.

Properties are assessed as of December 1 and the related property taxes become a lien on July 1 of the following year. These taxes are due on February 14 after which they are added to the County tax rolls.

2. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.

CASH AND INVESTMENTS:

Michigan Compiled Laws, Section 129.91, authorizes Fremont Township to deposit and invest in the account of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township Board has designated several local banks for the deposit of Township funds.

The Township's retirement system's investments are held in trust by the investment fiduciary. Michigan Compiled Laws, Section 38.1132, authorizes the Township's retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system.

The Township's deposits and investments are in accordance with statutory authority.

RECEIVABLES:

Receivables have been recognized for all significant amounts due the Township. Valuation reserves have not been provided in that collection thereof is not considered doubtful and any uncollected amounts would be immaterial.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

COMPARATIVE DATA:

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW:

Total columns on the combined statements - overview are captioned **Memorandum Only** to indicate that they are presented only to facilitate financial analysis.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

NOTE 2 - PENSION PLAN:

The Township of Fremont contributes to the Township of Fremont Group Pension Plan, which is a defined contribution pension plan, sponsored by Manufacturers Life Insurance Company. The plan has been adopted under the provisions of section 401(a) of the Internal Revenue Code.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investment of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 2 - PENSION PLAN, (Continued):

Contributions made by the Township or elected officials vest immediately. An elected official who leaves the employment of the Township is entitled to his or her contributions and the Township's contributions, plus interest earned. The Township is required to contribute an amount based upon the elected official's base salary on May 1 of the plan year.

The amount that the Township will contribute is 25% of the elected official's annual covered compensation for the year ended March 31, 2007, subject to a minimum contribution of \$200.

During the year the Township's required and actual contributions including fees amounted to \$9,003 for the year ended March 31, 2007 and \$8,297 for the year ended March 31, 2006.

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets is as follows:

	<u>BALANCE</u> <u>APRIL 1,</u> <u>2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>MARCH 31,</u> <u>2007</u>
Land - cemetery	\$19,500			\$19,500
Building - cemetery	11,189			11,189
Office equipment	17,672			17,672
Election equipment	6,287			6,287
Machinery - cemetery	16,380			16,380
Land improvement	13,807			13,807
	<u>\$84,835</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$84,835</u>

The Township has established a policy of capitalizing assets purchased with a value of \$250 or greater.

NOTE 4 - BUDGETS AND BUDGETARY ACCOUNTING:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township's Supervisor submits to the Township Board a proposed budget by March 31 of each year. The budget includes proposed expenditures and means of financing them.
2. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.
3. Budgeted amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations that were amended.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 5 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year end, the carrying amount of the Township's deposits was \$201,090 and the bank balance was \$246,274 of which \$221,337 was covered by federal depository insurance and \$124,937 was uninsured and uncollateralized.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter party, or by its trust department or its agent but not in the Township's name. At March 31, 2007, the Township had no Category 1,2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2007 are composed of the following:

	<u>CASH AND CASH EQUIVALENTS</u>
General Fund:	
Deposits	\$198,817
Current Tax Collection Fund:	
Deposits	<u>2,273</u>
TOTAL	<u>\$201,090</u>

NOTE 6 – RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 7 – PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. A levy of 1.37610 mills was applied to \$73,295,351 taxable value for the 2006 tax year.

FREMONT TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 8 – DESIGNATED FUND BALANCE:

The Township Board has designated a certain portion of the fund balance be set aside for the possible future construction of a township hall. Designated fund balance for this purpose as of March 31, 2007 amounted to \$116,410.

NOTE 9 – GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

NOTE 10 – REAPPRAISAL CONTRACT:

On June 23, 2005, the Township signed a contract to have the Township's real property inventoried and reappraised to reflect current market value. The total cost will be \$79,000. During the current year, \$72,000 was paid on this contract.

ADDITIONAL INFORMATION

FREMONT TOWNSHIP
General Fund
Schedule of Revenues - Budget & Actual

	<u>YEAR ENDED MARCH 31, 2007</u>			<u>YEAR ENDED MARCH 31, 2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>	
Taxes				
Property taxes	\$ 100,000	\$ 100,540	\$ 540	\$ 86,429
Administrative fee	15,000	16,226	1,226	15,937
Total Taxes	<u>115,000</u>	<u>116,765</u>	<u>1,765</u>	<u>102,366</u>
Intergovernmental				
State Shared Revenue - Metro	125	-	125	3,577
State Shared Revenue	<u>190,000</u>	<u>174,711</u>	<u>(15,289)</u>	<u>170,107</u>
Total Intergovernmental	<u>190,125</u>	<u>174,711</u>	<u>(15,414)</u>	<u>173,684</u>
Licenses and permits	<u>5,000</u>	<u>7,985</u>	<u>2,985</u>	<u>4,547</u>
Charges for services	<u>31,220</u>	<u>33,148</u>	<u>1,928</u>	<u>14,450</u>
Interest	<u>3,000</u>	<u>1,526</u>	<u>(1,474)</u>	<u>2,460</u>
Miscellaneous	<u>2,300</u>	<u>690</u>	<u>(1,610)</u>	<u>2,132</u>
Total Revenues	<u>\$ 346,645</u>	<u>\$ 334,825</u>	<u>\$ (11,820)</u>	<u>\$ 299,638</u>

FREMONT TOWNSHIP
General Fund
Schedule of Expenditures - Budget & Actual

	<u>YEAR ENDED MARCH 31, 2007</u>			<u>ACTUAL YEAR ENDED MARCH 31, 2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>	
LEGISLATIVE				
Township Board				
Salaries	\$ 2,280	\$ 1,615	\$ 665	\$ 1,995
Fringe benefits	9,000	9,003	(3)	8,297
Membership & dues	1,800	1,558	242	1,779
Education & training	150	-	150	-
Professional services	5,275	4,078	1,198	3,103
Mileage	-	-	-	-
Data processing	-	-	-	0
Printing & publishing	4,138	4,089	49	3,542
Miscellaneous	3,250	1,706	1,544	2,313
Insurance	7,700	5,928	1,772	6,324
Repraisal contract	71,100	72,000	(900)	0
Payroll taxes	6,500	5,901	599	6,189
TOTAL LEGISLATIVE	<u>111,193</u>	<u>105,876</u>	<u>5,317</u>	<u>33,542</u>
GENERAL GOVERNMENT				
Supervisor				
Salaries	9,000	7,650	1,350	9,000
Contracted services	45	-	45	-
Office supplies	650	634	16	277
Education & meetings	1,278	1,328	(50)	637
Mileage	600	584	16	436
Miscellaneous	-	-	-	-
Telephone	505	561	(56)	156
Total Supervisor	<u>12,078</u>	<u>10,756</u>	<u>1,322</u>	<u>10,506</u>
Clerk's Staff				
Salaries	10,101	8,543	1,559	10,446
Contracted services	25	-	25	-
Office supplies	1,050	825	225	978
Education & meetings	485	326	159	89
Mileage	465	487	(22)	48
Computer admin expense	1,756	45	1,711	0
Miscellaneous	25	20	5	2
Telephone	894	818	76	368
Total Clerk's Staff	<u>14,801</u>	<u>11,065</u>	<u>3,736</u>	<u>11,931</u>

(Continued)

FREMONT TOWNSHIP
General Fund
Schedule of Expenditures - Budget & Actual

	YEAR ENDED MARCH 31, 2007			ACTUAL YEAR ENDED MARCH 31, 2006
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	
GENERAL GOVERNMENT, (Continued)				
Treasurer				
Salaries	\$ 9,900	\$ 8,367	\$ 1,533	\$ 9,900
Contracted services	100	-	100	-
Office supplies	2,778	1,853	925	1,804
Education & meetings	600	-	600	357
Mileage	250	62	188	9
Tax bill preperation	272	-	272	335
Computer admin expense	2,000	-	2,000	0
County tax process	3,200	3,009	191	3,027
Miscellaneous	850	58	792	156
Telephone	500	376	124	377
Total Treasurer	20,450	13,725	6,725	15,966
Cemetery Operations				
Contracted services	17,550	19,450	(1,900)	18,102
Maintenance & gas	-	0	-	0
Miscellaneous	2,475	2,531	(56)	129
Capital Outlay	-	0	-	-
Total Cemetery Operations	20,025	21,981	(1,956)	18,230
Election				
Salaries	1,670	1,669	1	788
Office supplies	836	813	23	390
Miscellaneous	101	100	1	-
Education & training	376	365	11	49
Total Election	2,983	2,947	0	1,226
Zoning				
Salaries	11,000	7,230	3,770	8,022
Office supplies	225	124	101	191
Miscellaneous	1,204	728	476	386
Mileage	541	606	(65)	324
Legal & professional fees	10,580	7,540	3,040	110
Education & Training	1,510	625	885	1,396
Total Zoning	25,060	16,854	8,206	10,430

(Continued)

FREMONT TOWNSHIP
General Fund
Schedule of Expenditures - Budget & Actual

	YEAR ENDED MARCH 31, 2007			ACTUAL YEAR ENDED MARCH 31, 2006
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	
<i>GENERAL GOVERNMENT, (Continued)</i>				
Assessor	\$ 26,015	\$ 23,907	\$ 2,108	\$ 31,841
Board of Review				
Salaries	1,160	1,110	50	370
Education & training	200	50	150	0
Miscellaneous	150	110	40	20
Office supplies	50	-	50	18
Total Board of Review	1,560	1,270	290	407
TOTAL GENERAL GOVERNMENT	122,972	102,503	20,433	100,536
Public Safety				
Fire protection service	14,000	14,975	(975)	12,425
Fire calls	20,000	9,350	10,650	4,550
Ambulance service	5,008	5,008	-	0
Thumb narcotics unit	-	-	-	-
Total Public Safety	39,008	29,333	9,675	16,975
Highways & Streets				
Road maintenance & construction	200,000	201,620	(1,620)	94,124
Metro act expenses			-	3,580
Chloride	27,000	24,300	2,700	23,814
Total Highways & Streets	227,000	225,920	1,080	121,518
Drain-at-Large	6,465	2,489	3,976	3,884
Other Expenditures	1,500	1,166	334	-
TOTAL EXPENDITURES	\$ 508,138	\$ 467,287	\$ 40,815	\$ 276,456

FREMONT TOWNSHIP
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended March 31, 2007

CURRENT TAX COLLECTION FUND

	BALANCE MARCH 31, 2006	ADDITIONS	DEDUCTIONS	BALANCE MARCH 31, 2007
<u>ASSETS</u>				
Cash	\$ 44,306		\$ 42,033	\$ 2,273
Taxes Receivable	247,773	\$ 1,638,803	1,657,275	229,301
TOTAL ASSETS	\$ 292,079	\$ 1,638,803	\$ 1,699,308	\$ 231,574
 <u>LIABILITIES</u>				
Due to Tuscola County	\$ 69,933	\$ 439,909	\$ 430,910	\$ 60,934
Due to Caro Schools	7	635	636	8
Due to General Fund	60,247	158,173	116,765	18,839
Due to Intermediate Schools	42,936	308,203	309,866	44,599
Due to Mayville Schools	110,324	730,883	718,761	98,202
Due to Mayville Library	8,632	61,504	61,865	8,993
TOTAL LIABILITIES	\$ 292,079	\$ 1,699,308	\$ 1,638,803	\$ 231,574

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

September 28, 2007

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

To the Board of Fremont Township:

In planning and performing our audit of the financial statements of Fremont Township as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Fremont Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies to be significant deficiencies in internal control:

1. After considering the qualifications of the accounting personnel of Fremont Township, we believe that the personnel have the abilities to maintain the day-to-day bookkeeping of the Township, but they do not have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting principles generally accepted in the United States of America. In prior years, you have contracted with your auditors to prepare your financial statements and we would recommend you continue with this practice.
2. The Township should reconcile its accounting records to the bank statements every month. This procedure was not being done during the last fiscal year. The fact that this procedure was not being done was in large part the reason for the long delay in completing the audit.
3. During the course of our audit, we noted that the Township Clerk and the Township Treasurer did not periodically reconcile the financial activity of the Township throughout the year. Michigan Compiled Law statutorily requires the Township Clerk to maintain custody of all Township records, maintained general ledger, prepare warrants for Township checks, and prepare financial statements. Michigan Compiled Law statutorily requires the Township Treasurer to collect property taxes, keep an account of Township receipts and expenditures, issue Township checks, deposit Township revenues in approved depositories, and invest Township funds in approved investment vehicles. Because fulfilling the financial accounting responsibilities for the offices of

To the Board of Fremont Township
September 28, 2007
Page two

Clerk and Treasurer are inter-dependent, we suggest that the Clerk and Treasurer reconcile their respective accountings of Township revenues and expenditures periodically throughout the year, preferably monthly. Reconciling the records of these two officials will assure greater accuracy of the financial reporting and strengthen the internal controls of the Township.

We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Fremont Township, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tuckey, Bernhardt & Doran, P.C.

Anderson, Tuckey, Bernhardt & Doran, P.C.
Certified Public Accountants